



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 26, 2005

Ms. Pat Samples
Frost National Bank
601 Jefferson at Smith Street
P. O. Box 1315
Houston, Texas 77256

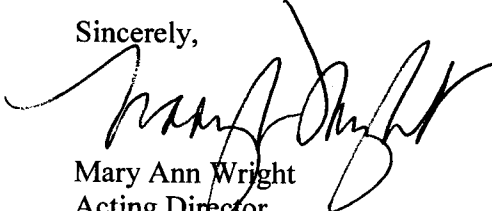
Subject: Authorization for Full Release of Reclamation Surety, Certificate of Deposit 050-00287975, Geokinetics, Inc., Seep Ridge Mine, M/047/002, Uintah County, Utah

Dear Ms. Samples:

Frost National Bank is presently holding Certificate of Deposit #050-00287975, which should be in the amount of \$13,500, for the benefit of the State of Utah, Division of Oil, Gas and Mining and the Utah School and Institutional Trust Lands Administration as a form of reclamation surety for Geokinetics' Seep Ridge Mine. It appears the actual amount being held is \$13,474.14. At the operator's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter authorizes release of this reclamation surety. The School and Institutional Trust Lands Administration has also authorized release (please see enclosed minutes of the Director's Agenda dated January 14, 2005).

If you have any questions or concerns, please contact Mark Mesch at (801) 538-5349, or Daron Haddock at (801) 538-5325. Again, thank you for your help in this matter.

Sincerely,


Mary Ann Wright
Acting Director
Division of Oil, Gas and Mining

MAW:PBB:jb
Attachment: Director's Agenda Minutes
cc: Mickey Schott, Geokinetics
Mark Mesch
Daron Haddock, OGM
O:\M047-Uintah\M0470002-SeepRidge\final\bankrelltr-01202005.doc

Paul

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m/047/002

Director's Agenda

Page One

January 14, 2005

DIV OF OIL GAS & MINING

RELEASE OF BOND, CD #050-00287975; ML 45256-OIL SHALE (SCH)

On May 24, 1995, the Director, jointly with the Division of Oil, Gas & Mining, accepted a bond from Geokinetics, Inc. for mined-land reclamation obligations of the Lessee under Trust Lands mineral lease ML 45256-Oil Shale, (successor mineral lease to ML 24276-A). The bond is in the form of Time CD #050-00287975 issued by First National Bank and is administered by the Division of Oil, Gas & Mining. The initial amount of the bond was reduced to the present amount of \$13,500, as partial reclamation was completed. The mined land disturbances are now completely reclaimed except for one water well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 2, T14S, R22E, SLB&M. The Trust Lands Administration's grazing permittee, Alameda Corporation, desires to utilize the water well for its livestock operations and has agreed to assume responsibility for use and maintenance of the well. Alameda Corporation has posted a \$10,000 performance bond with the Trust Lands Administration which was accepted on December 17, 2004, for this purpose. Geokinetics, Inc. should, therefore, be released of responsibility for the water well and its bond, CD #050-00287975, should be released.

Upon recommendation of Mr. Blake, the Director released CD #050-00287975 as to Trust Lands Administration. Final release of the bond will be administered by the Division of Oil, Gas & Mining.

METALLIFEROUS MINERALS LEASES APPROVAL

Upon the recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals lease applications listed below at a rental rate of \$1.00 per acre per annum. The production royalty, as provided in the lease form approved by the Director of the Trust Lands Administration, is 8 percent for fissionable minerals and 4 percent for non-fissionable minerals - based on the gross value of the ore. The lands status has been examined utilizing both the plat books and the business system and the lands were found to be open and available. The applications have been checked for completeness, and found to be in proper order. The business system and plat books have been updated to show these lease applications as existing contracts on the lands described below:

ML 49585

K. C. Kane

5503 East Broadway

Spokane, WA 99212

T21S, R15E, SLB&M.

Sec. 15: S $\frac{1}{2}$ NW $\frac{1}{4}$

Sec. 16: All

Sec. 19: Lots 3(42.68), 4(43.29), E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Sec. 20: S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

EMERY COUNTY

1285.97 Acres

FUND: SCH

ML 49586

K.C. Kane

5503 East Broadway

Spokane, WA 99212

T28S, R23E, SLB&M.

Sec. 16: All

SAN JUAN COUNTY

640.00 Acres

FUND: SCH